

Economic Impact Statement
LSA Document #07-150

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

This proposed rule amendment makes the following changes to Medicaid nursing home reimbursement:

1. Beginning October 1, 2007, changes the annual rate effective date to October 1 for all providers.
2. Beginning July 1, 2008, changes the annual rate effective date to July 1 for all providers.
3. Adds a maximum annual rate increase of 5.0% per annum, before adjusting for case mix.
4. Beginning October 1, 2007, and continuing through June 30, 2009, implements a \$1 per day reduction to the Medicaid rate.

Impact on Small Businesses

1. Estimate of the number of small businesses, classified by industry sector, that will be subject to the proposed rule.

IC 4-22-2.1-4 defines a small business as any person, firm, corporation, limited liability company, partnership, or association that:

- (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana;
- (2) is independently owned and operated;
- (3) employs one hundred (100) or fewer full-time employees; and
- (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

The agency estimates that 66 out of a total of 471 nursing homes that are Medicaid certified meet the criteria of IC 4-22-2.1-4 as a small business.

2. Estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.

The agency estimates that small businesses will incur no additional costs to comply with this proposed rule amendment.

3. Estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule.

Since no small business will incur any additional cost to comply with this rule amendment, there is no annual economic impact on small businesses.

4. Statement justifying any requirement or cost that is imposed on small businesses by the rule; and not expressly required by the statute authorizing the agency to adopt the rule; or any other state or federal law.

The rule amendment imposes no additional cost or requirements on small businesses.

5. Regulatory Flexibility Analysis

Other factors considered:

A. Establishment of less stringent compliance or reporting requirements for small businesses.

The rule amendment has no impact on reporting requirements for small businesses.

B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

The rule amendment has no impact on schedules or deadlines for compliance or reporting for small businesses.

C. Consolidation or simplification of compliance or reporting requirements for small businesses.

The rule amendment has no impact on schedules or deadlines for compliance or reporting for small businesses.

D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

The rule amendment has no impact on performance standards for small businesses.

E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.

The rule amendment imposes no additional cost or requirements on small businesses.

Conclusion

The agency estimates that there will be no annual economic impact that compliance with the proposed rule will have on small businesses.

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